

Message Text

UNCLASSIFIED

PAGE 01 BONN 17717 121847Z

70

ACTION EUR-12

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-06

FRB-01 INR-07 NSAE-00 RSC-01 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-03 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 SAJ-01 FEA-01 AEC-07 PA-02 PRS-01

USIA-15 /114 W

----- 078928

R 121834Z NOV 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6219

INFO AMEMBASSY ANKARA

AMEMBASSY BRASILIA

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

AMCONSUL RIO DE JANEIRO

USMISSION USBERLIN

USMISSION EC BRUSSELS

UNCLAS BONN 17717

USBER PLEASE PASS TO AMBASSADOR

E.O. 11652: N/A

TAGS: TECH, ENRG, GW

SUBJECT: NUCLEAR ENERGY - KWU TO BECOME A 100 PERCENT
SIEMENS SUBSIDIARY

REF: BONN 10551 JULY 2, 1974

1. GERMAN NEWSPAPERS NOTED ON NOVEMBER 6 THAT
ALLGEMEINE ELECTRICITAETSGESELLSCHAFT (AEG) PLANS
TO SELL ITS 50 PERCENT SHARE IN KARFTWERK UNION AG,
MUELHEIM (KWU). ON NOVEMBER 11, SIEMENS, AEG'S PARTNER
IN KWU, WAS REPORTED TO BE READY, IN PRINCIPLE, TO
BUY AEG'S SHARE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 17717 121847Z

2. KWU, ESTABLISHED IN 1969, INCREASED ITS CAPITAL STOCK BY DM 90 MILLION TO DM 230 MILLION IN AUGUST 1974. THE 1974 TURNOVER OF DM 1 BILLION SHOULD INCREASE TO ABOUT DM 5 OR 6 BILLION WITHIN THE NEXT FEW YEARS. THIS WOULD NECESSITATE FURTHER CONTRIBUTIONS BY AEG AND SIEMENS TO INCREASE KWU'S CAPITAL. BY MID-1974, KWU ORDERS TOTALLED DM 12 BILLION. KWU LOSSES IN 1972 WERE DM 81 MILLION; IN 1973 LOSSES DECREASED TO DM 67 MILLION; 1974 LOSSES WILL BE ABOUT DM 35 MILLION. FOR 1975 KWU EXPECTS TO BREAK EVEN, AND TO BE IN THE BLACK IN THE FUTURE.

3. AEG, HOWEVER, LOST DM 210 MILLION THROUGH THE WUERGASSEN ACCIDENTS (SEE REFTTEL) AND FORESEES LOSSES OF DM 500 MILLION STEMMING FROM SIX NUCLEAR POWER STATION PROJECTS WHICH ARE BEING HANDLED BY KWU AS AEG CONTRACTOR. THE WUERGASSEN STATION ORDERED IN 1967 FOR DM 330 MILLION WOULD COST ABOUT DM 700 MILLION AT THE PRESENT TIME.

4. EMBASSY COMMENT:
AEG HAS BEEN TRYING FOR SOME TIME TO SHED UNPROFITABLE PARTNERSHIPS DUE TO ITS TIGHT FINANCIAL POSITION. ADDITIONAL CAPITAL INVESTMENTS IN KWU WOULD THEREFORE NOT BE FEASIBLE. NEVERTHELESS, THIS PENDING CHANGE IN KWU OWNERSHIP REFLECTS AEG'S PROBLEMS RATHER THAN A FUTURE WEAKNESS IN KWU.
HILLENBRAND

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, NUCLEAR ENERGY, NUCLEAR REACTORS, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BONN17717
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740326-0374
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741152/aaaabrsd.tel
Line Count: 89
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: BONN 10551 JULY 2, 1974
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 MAY 2002 by chicheje>; APPROVED <24 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NUCLEAR ENERGY - KWU TO BECOME A 100 PERCENT SIEMENS SUBSIDIARY
TAGS: TECH, ENRG, GE, AEG, KWU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005